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UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA

In re) CASE NO: 24:22456 -A -11
Mini Mania, Inc.,) DCN SRF 001
Debtor)
) CHAPTER 11
)
) **ORDER GRANTING FINAL RELIEF**
) **ON DEBTOR'S MOTION FOR**
) **AUTHORITY TO USE CASH**
) **COLLATERAL ON AN INTERIM**
) **AND FINAL BASIS**
)
) Date: July 15, 2024
) Time: 1:30 p.m.
) Place: 7th Floor Ctrm 28

The Court has considered the Debtor's Motion For Authority to Use Cash Collateral on an Interim and Final Basis ("Motion"). A final hearing was held on the above date and time. Steven R. Fox appeared for the Debtor-in-Possession. Raffi Khatchadourian appeared for Bank of America, N.A. Jason Blumberg appeared for the United States Trustee. Rebecca Wicks appeared for Kapitus, LLC. Bank of America and Kapitus LLC will be referred to in this order collectively as the "Secured Creditors" for convenience.

1 Good cause appearing, the Court finding that entities asserting interests in cash
2 collateral will be adequately protected by the relief afforded to them in the Motion and
3 in this Order, the Court orders as follows:

- 4 1. The Motion is granted on a final basis through September 21, 2024. The
5 Debtor is authorized to use cash collateral on a final basis, pursuant to the
6 budget appended to this Motion, subject to the conditions below.
- 7 2. The Debtor is authorized to deviate from the amounts set forth in the budget
8 in the percentages specified in the Motion without any notification to the
9 Secured Creditors.
- 10 3. The request to rollover any unused expense allowance from week to week
11 by category is approved.
- 12 4. If actual gross revenues exceed projected gross revenues, the Debtor may
13 apply up to 75% of such excess (beyond the projected gross revenues) to
14 costs of goods sold and the balance of such excess to expenses.
- 15 5. As adequate protection, the Secured Creditors are granted replacement lien
16 in all post-petition assets of the Debtor, other than avoidance power actions
17 and recoveries.
- 18 6. The replacement lien granted here shall have the same validity, extent and
19 priority (and shall be subject to the same defenses) as the Secured
20 Creditors' liens held in prepetition collateral.
- 21 7. This Order does not affect the power of any party-in-interest to challenge the
22 validity, extent, amount, or nature of the lien asserted by any creditor.
- 23 8. The Debtor shall pay \$1,900 monthly to Bank of America, N.A., during the
24 term of this period of usage on the payment schedule set forth in the budget
25 but at the amount of \$1,900 for all such payments.
- 26 9. In addition to the replacement lien ordered above, the Debtor shall provide to
27 Kapitus, LLC on a monthly basis, due the 20 days of each month beginning
28 with the July report due August 20 2024, monthly reports in the form of a

1 budget to actual report, a profit & loss statement and a report tracking the
2 Debtor's inventory including values.

3 10. The Debtor is authorized and directed to take all actions necessary to
4 implement the relief granted in this Order.

5 11. A further hearing on cash collateral is set for September 9, 2024, at 9:00
6 a.m. with the Debtor to use the same DCN. The Debtor shall file a notice of
7 hearing and a further request to use cash collateral on or before August 5,
8 2024 and shall include a supplemental budget with the request. The notice
9 and request shall be served on the affected parties, the 20 largest unsecured
10 creditors and the U.S. Trustee. Oppositions, if any shall be filed and served
11 not later than August 30, 2024.

12 Dated: July 23, 2024

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14 Fredrick E. Clement
15 United States Bankruptcy Judge
16 U.S. Bankruptcy Court

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1 Approved as to form:

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3 Hemar, Russo & Heald, LLP

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Raffi Khatchadourian

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6 Raffi Khatchadourian

7 Attorney for Bank of America, N.A.

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9 Buchalter

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Rebecca Wicks

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13 Rebecca Wicks,
14 Attorney for Kapitus, LLC

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Mini Mania, Inc.

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Projection of Cash Receipts and Disbursements

Through Period

Ending 9/21/24

	Week 1 <u>6/8/24</u>	Week 2 <u>6/15/24</u>	Week 3 <u>6/22/24</u>	Week 4 <u>6/29/24</u>	Week 5 <u>7/6/24</u>
<u>For the week ending:</u>					
Revenue - Sales	35,000	35,000	45,000	40,000	45,000
Revenue - Freight	6,500	6,500	6,500	6,500	6,500
Total Receipts	<u>41,500</u>	<u>41,500</u>	<u>51,500</u>	<u>46,500</u>	<u>51,500</u>
Disbursements					
COGS Freight	5,500	5,500	5,500	5,500	5,500
COGS Parts & Material	21,000	24,000	30,000	27,000	30,000
Adequate Protection - BofA					
Advertising/Marketing	500	500	500	500	500
Bank & CC Fees	1,500	1,500	1,500	1,500	1,500
Bookkeeping		500			500
Insurance [Table 1]	468	6,918		96	653
Payroll - Admin, PR Tax + Fees		27,000			27,000
Office & Admin Expenses	1,400	1,400	1,400	1,400	1,400
Rent	5,000				5,000
Repairs & Maintenance	750	750	750	750	750
Supplies		1,500		1,500	
Utility Exp	1,500		1,500	500	1,500
US Trustee Fee					
Total Disbursements	<u>37,618</u>	<u>69,568</u>	<u>41,150</u>	<u>38,746</u>	<u>74,303</u>
Net Operating Cash Flows	<u>3,882</u>	<u>(28,068)</u>	<u>10,350</u>	<u>7,754</u>	<u>(22,803)</u>
Beginning Cash as of 6/4/24	30,000				
Projected Ending Cash	33,882	5,813	16,163	23,918	1,114

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Projection of Cash Receipts and Disbursements

Through Period

Ending 9/21/24

	Week 6 7/13/24	Week 7 7/20/24	Week 8 7/27/24	Week 9 8/3/24	Week 10 8/10/24
<u>For the week ending:</u>					
Revenue - Sales	40,000	45,000	45,000	45,000	45,000
Revenue - Freight	6,500	6,500	6,500	6,500	6,500
Total Receipts	<u>46,500</u>	<u>51,500</u>	<u>51,500</u>	<u>51,500</u>	<u>51,500</u>
Disbursements					
COGS Freight	5,500	5,500	5,500	5,500	5,500
COGS Parts & Material	27,000	30,000	30,000	30,000	30,000
Adequate Protection - BofA				1,900	
Advertising/Marketing	500	500	500	500	500
Bank & CC Fees	1,500	1,500	1,500	1,500	1,500
Bookkeeping		500		500	
Insurance [Table 1]	799	5,419		281	615
Payroll - Admin, PR Tax + Fees		27,000		27,000	
Office & Admin Expenses	1,400	1,400	1,400	1,400	1,400
Rent				5,000	
Repairs & Maintenance	750	750	750	750	750
Supplies	1,500		1,500		1,500
Utility Exp		1,500	500	1,500	
US Trustee Fee			748		
Total Disbursements	<u>38,949</u>	<u>74,069</u>	<u>42,398</u>	<u>75,831</u>	<u>41,765</u>
Net Operating Cash Flows	<u>7,551</u>	<u>(22,569)</u>	<u>9,102</u>	<u>(24,331)</u>	<u>9,735</u>
Beginning Cash as of 6/4/24					
Projected Ending Cash	8,665	(13,904)	(4,802)	(29,133)	(19,398)

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Projection of Cash Receipts and Disbursements

Through Period

Ending 9/21/24

	Week 11 <u>8/17/24</u>	Week 12 <u>8/24/24</u>	Week 13 <u>8/31/24</u>	Week 14 <u>9/7/24</u>	Week 15 <u>9/14/24</u>
<u>For the week ending:</u>					
Revenue - Sales	45,000	45,000	45,000	45,000	50,000
Revenue - Freight	6,500	6,500	6,500	6,500	6,500
Total Receipts	<u>51,500</u>	<u>51,500</u>	<u>51,500</u>	<u>51,500</u>	<u>56,500</u>
Disbursements					
COGS Freight	5,500	5,500	5,500	5,500	5,500
COGS Parts & Material	30,000	30,000	30,000	30,000	30,000
Adequate Protection - BofA				1,900	
Advertising/Marketing	500	500	500	500	500
Bank & CC Fees	1,500	1,500	1,500	1,500	1,500
Bookkeeping	500			500	
Insurance [Table 1]	6,072		281	468	984
Payroll - Admin, PR Tax + Fees	27,000		27,000		27,000
Office & Admin Expenses	1,400	1,400	1,400	1,400	1,400
Rent				5,000	
Repairs & Maintenance	750	750	750	750	750
Supplies		1,500		1,500	
Utility Exp	1,500	500		1,500	
US Trustee Fee					
Total Disbursements	<u>74,722</u>	<u>41,650</u>	<u>66,931</u>	<u>50,518</u>	<u>67,634</u>
Net Operating Cash Flows	<u>(23,222)</u>	<u>9,850</u>	<u>(15,431)</u>	<u>982</u>	<u>(11,134)</u>
Beginning Cash as of 6/4/24					
Projected Ending Cash	(42,619)	(32,769)	(48,200)	(47,218)	(58,353)

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Projection of Cash Receipts and Disbursements

	<u>Week 16</u>	<u>Totals</u>
<u>For the week ending:</u>	<u>9/21/24</u>	
Revenue - Sales	50,000	700,000
Revenue - Freight	6,500	104,000
Total Receipts	<u>56,500</u>	<u>804,000</u>
Disbursements		
COGS Freight	5,500	88,000
COGS Parts & Material	30,000	459,000
Adequate Protection - BofA		3,800
Advertising/Marketing	500	8,000
Bank & CC Fees	1,500	24,000
Bookkeeping	500	3,500
Insurance [Table 1]	5,234	28,288
Payroll - Admin, PR Tax + Fees		189,000
Office & Admin Expenses	1,400	22,400
Rent		20,000
Repairs & Maintenance	750	12,000
Supplies	1,500	12,000
Utility Exp	1,500	13,500
US Trustee Fee		748
Total Disbursements	<u>48,384</u>	<u>884,237</u>
Net Operating Cash Flows	<u>8,116</u>	<u>(80,237)</u>
Beginning Cash as of 6/4/24		
Projected Ending Cash	(50,237)	(50,237)

Through Period

Ending 9/21/24

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Footnotes

Revenue - Sales	Cash receipts are projected based on anticipated invoicing volume.
Revenue - Freight	Cash receipts are projected based on anticipated invoicing volume.
COGS Freight	COGS Freight based on projected costs for freight.
COGS Parts & Material	COGS Parts & Material based on projected costs for products.
Advertising/Marketing	Based on costs anticipated for marketing efforts.
Bank & CC Fees	Based on current costs for bank service charges and fees and credit card processing fees.
Bookkeeping	Fee for monthly bookkeeping including reconciliation of accounts and financial statement preparation.
Insurance [Table 1]	Based on employee insurance benefits, liability insurance, and worker's comp.
Payroll - Admin, PR Tax + Fees	Based on current costs for administration, employer taxes and payroll fees.
Office & Admin Expenses	Based upon historical average office expenses for computers, software, admin expenses, supplies, etc.
Rent	Rent is \$5,000 per month.
Repairs & Maintenance	Based on costs for building, equipment, and warranty repairs.
Supplies	Based on current costs for workshop, mechanic, and safety supplies.
Utility Exp	Based on current costs for phone service, electric, gas, water.
US Trustee Fee	Based on the current fee schedule for the US Trustee, the fee is .4% of quarterly disbursements.

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Insurance Table

	<u>6/8/24</u>	<u>6/15/24</u>	<u>6/22/24</u>	<u>6/29/24</u>	<u>7/6/24</u>	<u>7/13/24</u>	<u>7/20/24</u>	<u>7/27/24</u>	<u>8/3/24</u>
	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9
Insurance									
General Liability	468				468				
Worker's Comp (approx.)		185			185		185		185
Life Insurance				96					96
Dental Insurance		653				653			
Medical Insurance		4,534					4,534		
Business Personal Property		1,400					700		
Vision Insurance		146				146			
Total	468	6,918	-	96	653	799	5,419	-	281

Mini Mania, Inc.

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Insurance Table

	<u>8/10/24</u>	<u>8/17/24</u>	<u>8/24/24</u>	<u>8/31/24</u>	<u>9/7/24</u>	<u>9/14/24</u>	<u>9/21/24</u>
	Week 10	Week 11	Week 12	Week 13	Week 14	Week 15	Week 16
<u>Insurance</u>							
General Liability	468				468		
Worker's Comp (approx.)		185		185		185	
Life Insurance				96			
Dental Insurance		653				653	
Medical Insurance		4,534					4534
Business Personal Property		700					700
Vision Insurance	146					146	
Total	615	6,072	-	281	468	984	5,234